

19 February 1964

MEMORANDUM FOR: Deputy Director of Central Intelligence
SUBJECT: Dual Compensation Legislation

1. This memorandum is for information only.
2. The House yesterday passed, by voice vote, H. R. 7381 which is a bill to simplify and bring up to date the various laws pertaining to dual compensation. This is a comprehensive revision of these laws. Included in it is a provision which repeals Section 5(f)(1) of the Central Intelligence Agency Act of 1949 which permits the Agency to employ up to fifteen (15) retired military officers despite general provisions prohibiting such employment. The bill will generally permit such employment in the future by any agency. The individual will be able to receive whatever the pay of the position in the civilian agency and, in addition, he will be able to retain the first \$2,000 of his retired pay plus one-half of the remainder, if any.
3. Personnel had earlier expressed the view which you approved that some effort should be made to amend the Agency law to permit greater leeway in hiring of retired officers. In view of this bill, such action is not really required. From all indications it is highly probable that H. R. 7381 will receive favorable action in the Senate with possible minor modifications along the way.

OCC/FC:12M:1072

1 - OCC/FC 21804
1 - OCC/FC 21805
Atts: 62-100-00000
H. R. 7381
OCC/FC Report No. 890
Distribution:
cc: Personnel

JOHN S. WARNER
Legislative Counsel